

State of Alaska FY2008 Governor's Operating Budget

Department of Labor and Workforce Development

Department of Labor and Workforce Development

Mission

The mission of the Department of Labor and Workforce Development is to provide safe and legal working conditions and to advance opportunities for employment.

Core Services

The Office of the Commissioner RDU provides direction in the administration of the department's programs and facilitates the resolution of disputes between organized labor and public employers.

The Administrative Services RDU provides management information and support services to the department, develops and distributes labor market and population information, and conducts labor force research. The division's support services include fiscal, publications, budget and data processing.

The Workers' Compensation RDU administers the state's Workers' Compensation Act, the Fishermen's Fund and the Second Injury Fund to aid Alaskans with employment related injuries and illnesses.

The Labor Standards and Safety RDU provides enforcement, training and monitoring of the laws governing occupational safety and health, wages and hours, child labor and the safety of certain mechanical devices and hazardous substances.

The Employment Security RDU assesses and collects Unemployment Insurance (UI) tax, pays UI benefits, operates a public labor exchange and provides adult basic education services.

The Business Partnerships RDU provides policy planning, designs and implements training programs for the State Training and Employment Program (STEP) and is the grantee for all Workforce Investment Act federal grants.

The Vocational Rehabilitation RDU assists individuals with disabilities to obtain and maintain employment.

| End Results | Strategies to Achieve Results |
|--|--|
| A: Full employment of Alaska workforce. <u>Target #1:</u> Decrease the percent of non-residents working in Alaska by 2% per year. <u>Measure #1:</u> Percent of non-resident workers in Alaska. | A1: Enforce the provisions for resident hire preference on public construction projects. <u>Target #1:</u> Check 60% of certified payrolls for compliance with Alaska resident hire requirements. <u>Measure #1:</u> Percent of certified payrolls reviewed for compliance. A2: Increase the number of Workforce Investment System participants who get jobs. <u>Target #1:</u> Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year. <u>Measure #1:</u> Percent of Workforce Investment System participants that enter employment. <u>Target #2:</u> Increase the number of Workforce Investment System participants by 500 as compared to the previous year. <u>Measure #2:</u> Change in number of Workforce Investment System participants. |

| | <p><u>Target #3:</u> Equal prior year's number of employed individuals with disabilities exiting vocational rehabilitation.</p> <p><u>Measure #3:</u> Number of employed individuals exiting vocational rehabilitation.</p> <p>A3: Increase the number of job orders and job openings listed in the Workforce Investment System.</p> <p><u>Target #1:</u> Increase the number of job openings placed by employers by 1,000 as compared to the previous year.</p> <p><u>Measure #1:</u> Change in the number of job openings posted on the department's labor exchange system.</p> |
|---|--|
| End Results | Strategies to Achieve Results |
| <p>B: A prepared workforce.</p> <p><u>Target #1:</u> At least 95% of trained participants will enter employment.</p> <p><u>Measure #1:</u> Percent of trained participants that enter employment.</p> | <p>B1: Improve the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).</p> <p><u>Target #1:</u> At least 60% of participants are trained in occupations aligned with the AWIB's industry priorities.</p> <p><u>Measure #1:</u> Percent of participants trained in priority industry occupations.</p> |
| End Results | Strategies to Achieve Results |
| <p>C: Eliminate accidental injuries, fatalities and occupational illnesses within departmental jurisdiction.</p> <p><u>Target #1:</u> 2% per year reduction on the rate of workplace lost time injuries and illnesses per 100 employees.</p> <p><u>Measure #1:</u> The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.</p> <p><u>Target #2:</u> Zero accidental workplace fatalities.</p> <p><u>Measure #2:</u> The number of accidental fatalities compared to the previous year.</p> | <p>C1: Improve voluntary compliance with Occupational Safety and Health (OSH) requirements.</p> <p><u>Target #1:</u> Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.</p> <p><u>Measure #1:</u> The percentage change in the number of VPP and SHARP sites in comparison to the previous year.</p> |

FY2008 Resources Allocated to Achieve Results

FY2008 Department Budget: \$176,892,000

Personnel:

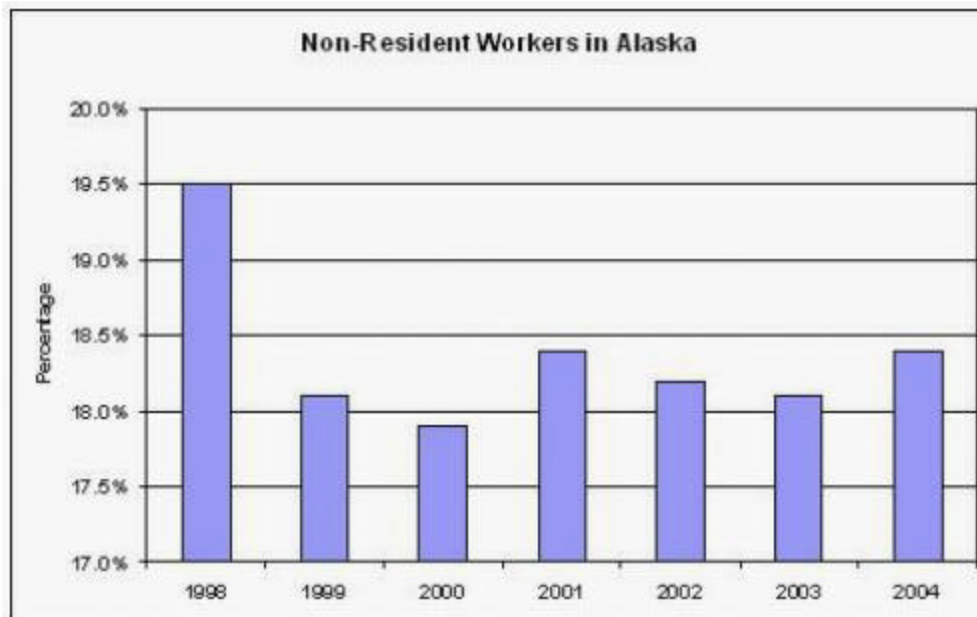
| | |
|--------------|------------|
| Full time | 844 |
| Part time | 108 |
| Total | 952 |

Performance Measure Detail

A: Result - Full employment of Alaska workforce.

Target #1: Decrease the percent of non-residents working in Alaska by 2% per year.

Measure #1: Percent of non-resident workers in Alaska.



Analysis of results and challenges: For the period 1992-2003, the percentage of nonresidents working in Alaska has varied from a high of 23.7% in 1992 to a low of 17.9% in 2000. The total number of wage and salary workers in Alaska for 2004 was 383,053 and 70,482 (18.4%) of Alaska's workforce were nonresident. Wage and Hour proposes to increase enforcement of the Alaska employment preference law on public construction projects in FY 2007.

2005 data will not be available until January 2007.

A1: Strategy - Enforce the provisions for resident hire preference on public construction projects.

Target #1: Check 60% of certified payrolls for compliance with Alaska resident hire requirements.

Measure #1: Percent of certified payrolls reviewed for compliance.

Certified Payroll Compliance Review

| Fiscal Year | #Received | #Reviewed | %Reviewed |
|-------------|-----------|-----------|-----------|
| FY 2001 | N/A | 6,428 | Not Avail |
| FY 2002 | N/A | 6,653 | Not Avail |
| FY 2003 | N/A | 4,853 | Not Avail |
| FY 2004 | 16,770 | 762 | 5% |
| FY 2005 | 43,942 | 9,215 | 21% |
| FY 2006 | 42,027 | 20,929 | 55% |

Analysis of results and challenges: Wage and Hour had not monitored the number of certified payrolls collected until 1/1/04. With additional Wage & Hour Technicians the percentage of certified payrolls has increased. The department's FY 2007 proposal for an on-line certified payroll system has been approved. The number of certified payrolls checked would increase to 100% when this system goes on line in FY08. This program will allow improved tracking of resident hire and apprentice utilization performance.

A2: Strategy - Increase the number of Workforce Investment System participants who get jobs.

Target #1: Increase the percentage of Workforce Investment System participants that enter employment by 1% as compared to the previous year.

Measure #1: Percent of Workforce Investment System participants that enter employment.

| Fiscal Year | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD Total |
|-------------|---------|---------|---------|---------|--------------|
| FY 2006 | 53% | 52% | 54% | 53% | 53% |
| FY 2007 | 0 0% | 0 0% | 0 0% | 0 0% | Forecast 54% |

Analysis of results and challenges: New federal reporting requirements went into effect beginning 7/1/2005. The employment data is tracked via a cumulative 4 quarter total. The purpose of the new requirements is to implement common measures between federal employment and training programs and includes changes to criteria for "participants" and "exits" both of which impact the entered employment rate. Prior year data is available but not comparable for this measure because of these changes.

The Workforce Investment System incorporates a wide variety of employment preparation and training services. The program serves all job seekers including those who have multiple barriers to employment that require more intensive services such as case-management and job training that may take up to two years to complete. The wide variety of clients served leads to a lower aggregate percentage of participants entering employment than is seen in a targeted training program dealing with a limited group of participants.

Fiscal Year 2006 is the base line year for new federal measures including the entered employment percentage, and should be the baseline year for our State entered employment measure. In Fiscal Year 2006 there were a total of 78,087 participants, an increase of 13,920 over the previous year. Of these participants, 41,280 entered employment which is an increase of 10,194 over the previous year.

Target #2: Increase the number of Workforce Investment System participants by 500 as compared to the previous year.

Measure #2: Change in number of Workforce Investment System participants.

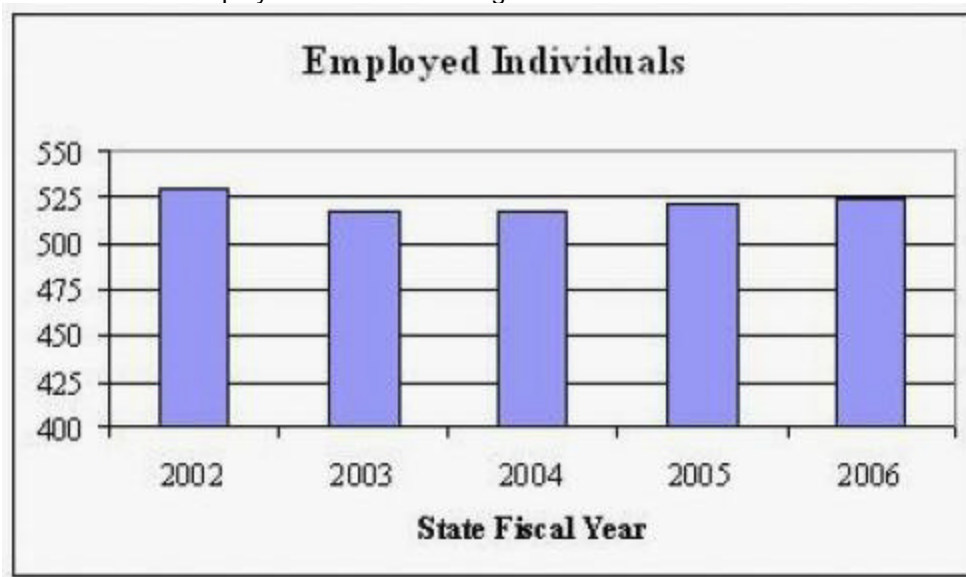
| Fiscal Year | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD Average | Change |
|-------------|---------|---------|---------|---------|--------------------|--------------|
| FY 2006 | 78,750 | 77,505 | 76,740 | 79,351 | 78,087 | 13,920 |
| FY 2007 | 0 | 0 | 0 | 0 | Forecast 78,587 | Forecast 500 |

Analysis of results and challenges: New federal reporting requirements have altered our previous definition of a "registrant" to that of a "participant". This new definition allows for an individual to be counted as a participant more than once in any given four-quarter reporting period if they resume receiving services after having a break in service of 90 days or more. This has resulted in an increase in our overall participation rate.

Fiscal Year 2006 is a new baseline year for federal measures including the total number of participants, and should be the State's baseline year for this measure.

Target #3: Equal prior year's number of employed individuals with disabilities exiting vocational rehabilitation.

Measure #3: Number of employed individuals exiting vocational rehabilitation.



| Fiscal Year | YTD Total |
|-------------|-----------|
| FY 2002 | 530 |
| FY 2003 | 517 |
| FY 2004 | 517 |
| FY 2005 | 521 |
| FY 2006 | 524 |

Analysis of results and challenges: An individual must be working for a minimum of 90 days prior to being counted as a person exiting the vocational rehabilitation program as employed. The number of individuals employed has remained relatively consistent for the past few years. Both staff and financial resources affect the number of individuals the division is able to assist in becoming employed. With level funding and the difficulty the agency has recently encountered in recruiting qualified staff to replace our retiring experienced counselors, the division is challenged to maintain the current level of production.

A3: Strategy - Increase the number of job orders and job openings listed in the Workforce Investment System.

Target #1: Increase the number of job openings placed by employers by 1,000 as compared to the previous year.

Measure #1: Change in the number of job openings posted on the department's labor exchange system.

| Fiscal Year | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | YTD Total | Change |
|-------------|---------|---------|---------|---------|-----------------|----------------|
| FY 2003 | | | | | 44,632 | 0 |
| FY 2004 | 11,619 | 8,875 | 11,443 | 13,986 | 45,923 | 1,291 |
| FY 2005 | 15,344 | 9,397 | 12,386 | 16,783 | 53,910 | 7,987 |
| FY 2006 | 17,033 | 12,199 | 12,093 | 7,309 | 48,634 | (5,276) |
| FY 2007 | 0 | 0 | 0 | 0 | Forecast 49,634 | Forecast 1,000 |

Analysis of results and challenges: The 4th quarter of Fiscal Year 2006 showed a sharp decline, primarily

because of the transition of the job openings data base from a mainframe to an online system. Now that the online system is in place the number of job openings listed is projected to increase annually at a steady pace.

B: Result - A prepared workforce.

Target #1: At least 95% of trained participants will enter employment.

Measure #1: Percent of trained participants that enter employment.



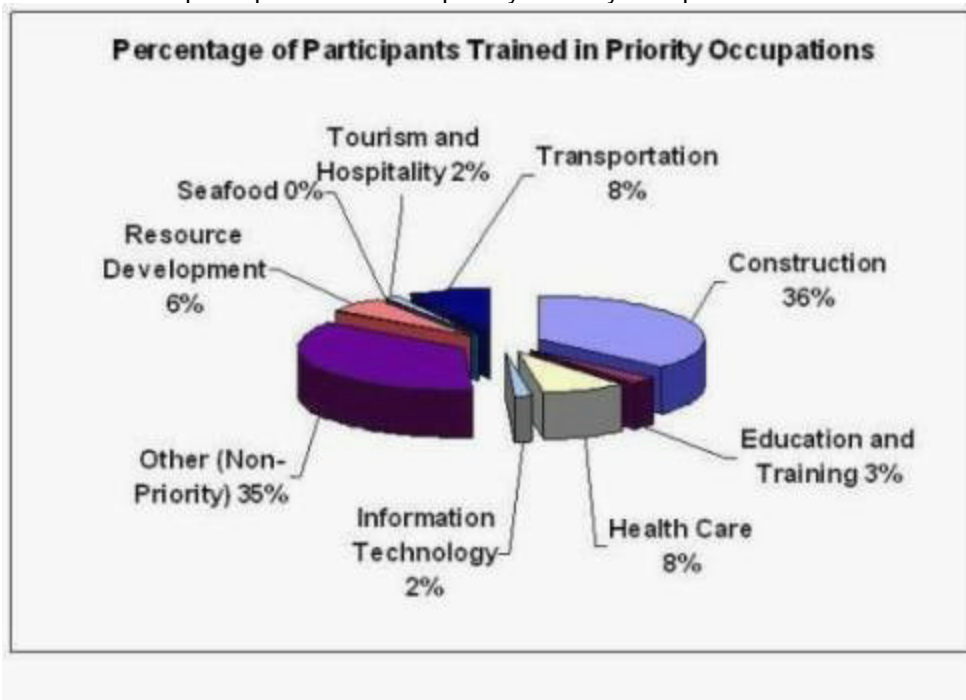
Analysis of results and challenges: We determined an aggregate percentage for the Entered Employment Rate that accounts for performance in multiple training programs. We have historical data for the Entered Employment rate for the following programs: WIA Adult, WIA Youth, WIA Dislocated Worker, and the State Training Employment Program (STEP). For SFY 2006 there were a total of 2,629 participants that completed their training of which 2,525 were employed within one year of program participation. SFY07 represents the first quarter of state fiscal year 2007 ending September 30, 2006.

Business Partnerships has increased its efforts for data accuracy and follow-up with participants after exit. This has provided better outcome numbers for those employed but whose wages do not show up on UI wage data.

B1: Strategy - Improve the degree to which workforce investment resources are invested according to the industry priorities of the Alaska Workforce Investment Board (AWIB).

Target #1: At least 60% of participants are trained in occupations aligned with the AWIB's industry priorities.

Measure #1: Percent of participants trained in priority industry occupations.



Analysis of results and challenges: We continue to allocate our limited training resources focused on priority industries to increase the likelihood that training participants will obtain employment in alignment with these priorities. We use industry priority occupations as criteria of grant awards. The prioritization of industries is based upon demand, growth and high non-residency. The current priority occupations are in the following industries: Health Care, Transportation, Hospitality, Seafood, Education, Construction, Information Technology, and Resource Development.

SFY2004 57% in priority industry occupations

SFY2005 58% in priority industry occupations

SFY2006 62% in priority industry occupations

SFY2007 65% in priority industry occupations (fiscal year to date)

Our Management Information System (MIS) participant data for the first quarter of SFY2007 shows approximately 65% of clients were trained in priority industry occupations. The strategies and processes provide clear direction and encouragement for training participants in priority industry occupations. In addition, we use these priorities to encourage but not require participants as they utilize their "customer choice" options for training.

C: Result - Eliminate accidental injuries, fatalities and occupational illnesses within departmental jurisdiction.

Target #1: 2% per year reduction on the rate of workplace lost time injuries and illnesses per 100 employees.

Measure #1: The rate of workplace lost time injuries and illnesses per 100 employees compared to the previous year.

Lost Workday Accidental Injuries and Illnesses Rate

| Fiscal | Rate | % Change |
|--------|------|----------|
|--------|------|----------|

| Year | | |
|---------|------|------|
| FY 2001 | 3.59 | |
| FY 2002 | 3.24 | -10% |
| FY 2003 | 2.73 | -16% |
| FY 2004 | 1.94 | -29% |
| FY 2005 | 2.29 | 18% |
| FY 2006 | 2.24 | -2% |

Analysis of results and challenges: Since FY01, the AKOSH program has reduced the lost workday illness and injury rate by 38% by targeting consultation and enforcement efforts on the causes of illnesses and injuries in industries with high incident rates. In FY03, the program initiated a five year strategic plan, which focused inspection, training and consultation efforts on high growth, high hazard industries (construction and transportation/warehousing) as evidenced by Worker's Compensation Insurance claim data. Significant reductions were achieved in the first two years of implementing the strategic plan, but due to increases in construction employment and other high hazard resource development jobs, the high percentage reductions were not sustainable.

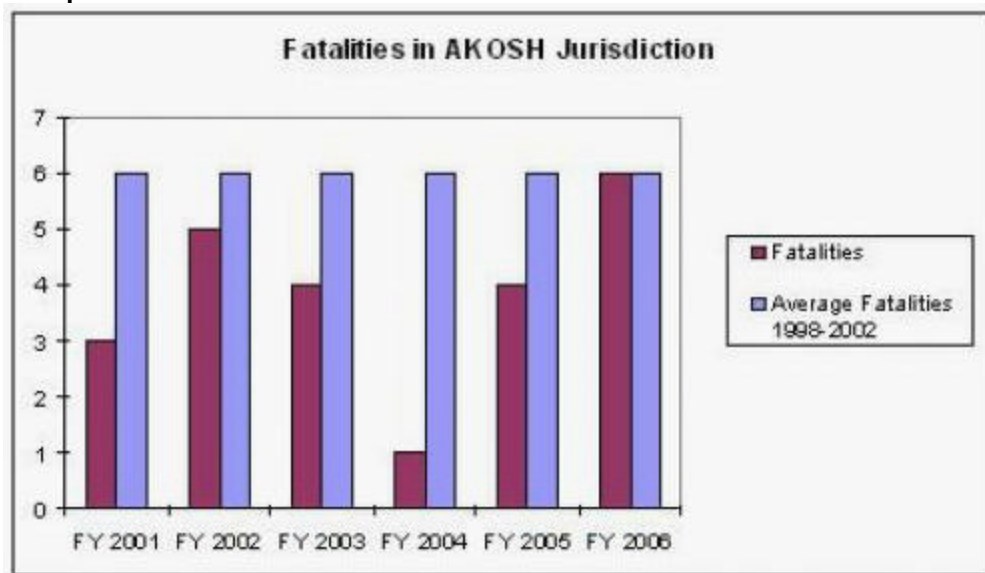
In FY06, the section added a Safety Consultant position to focus more effort toward assisting employers in these high hazard categories. In FY07, a Compliance Assistance Specialist was added to assist employers to achieve safer worksites while under enforcement processes. As the enforcement program exclusively targets high hazard employers, the Compliance Assistance Specialist has focused accident reduction efforts with the greatest potential for achievement.

To help put the rate into perspective, there were 6,941 recorded injuries with 309,382 employees in FY06 and 7,263 recorded injuries with 296,508 employees in FY02. Even though nearly 14,000 employees have been added to the Alaska economy over this time period, there were 322 fewer recorded injuries in FY06.

Target #2: Zero accidental workplace fatalities.

Measure #2: The number of accidental fatalities compared to the previous year.

Accidental Workplace Fatalities



Analysis of results and challenges: The number of workplace fatalities will be calculated using fatality reports submitted to the Alaska Occupational Safety and Health Administration (AKOSH). AKOSH will reduce workplace fatalities through consultation and enforcement inspections by targeting industries with high fatality rates and eliminating the most prevalent causes of fatalities.

Due to the relatively small number of workplace fatalities and the annual fluctuations, it is useful to compare the current number of fatalities to the average number of fatalities over a 5 year period. The benchmark is from 1998-

2002 when there was an average of six fatalities per year. The number of fatalities in 2006 increased to the previous 5 year average. The number of jobs has also increased significantly over the last year in high hazard categories such as construction, transportation and warehousing. Also, according to the medical examiners report, 3 of the 6 fatalities in FY06 were workers that were under the influence of marijuana.

C1: Strategy - Improve voluntary compliance with Occupational Safety and Health (OSH) requirements.

Target #1: Increase the number of Voluntary Protection Program (VPP) and Safety & Health Achievement Recognition Program (SHARP) sites in Alaska by 10% per year.

Measure #1: The percentage change in the number of VPP and SHARP sites in comparison to the previous year.

VPP and SHARP Sites

| Fiscal Year | VPP Sites | SHARP Sites | Total Sites | % Change |
|--------------------|------------------|--------------------|--------------------|-----------------|
| FY 2001 | 3 | 3 | 6 | |
| FY 2002 | 3 | 5 | 8 | 33% |
| FY 2003 | 4 | 11 | 15 | 88% |
| FY 2004 | 6 | 12 | 18 | 20% |
| FY 2005 | 6 | 12 | 18 | 0 |
| FY 2006 | 11 | 11 | 22 | 22% |

Analysis of results and challenges: The SHARP Program targets smaller employers with less than 250 employees at a site and less than 500 employees total. These smaller employers have a difficult time making the commitment necessary to participate in SHARP. In addition, one benefit of participation, deferred enforcement inspections for 18 months, is not significant when Alaska provides a 12-month deferral for any company that receives a comprehensive consultation visit and corrects all hazards. The VPP Program is designed for larger employers with 500+ employees. Qualification for VPP is time consuming and Alaska has relatively few employers large enough to qualify.

SHARP and VPP participation will be improved by promoting the benefits of the program to businesses. Consultants will work in partnership with businesses to assist with the development, implementation and maintenance of occupational safety and health programs and performance necessary to meet VPP & SHARP participation standards. The benefits to employers to participate in these programs are reductions in injuries and illnesses, a reduction in operational costs and an increase in productivity.

Key Department Challenges

Statewide Enterprise Information Technology (IT) planning resulted in new standards. Fully aligning the department's IT efforts to these standards will take several years as the department's substantial infrastructure on the IBM MVS/CICS/DB2 mainframe is not part of the new IT standard. The department has just completed an evaluation to determine cost and customer effective solutions for technology platforms for the future, and may request capital funding to migrate from the state mainframe based on that evaluation.

Reduce uninsured injuries by developing an electronic match of the Workers' Compensation files and Unemployment Insurance tax files to aid in the identification and investigation of suspected uninsured employers. With the added investigative staff develop more active methods to locate uninsured employers.

The Alaska Occupational Safety and Health (AKOSH) program will be in the fourth year of the five-year strategic performance plan required by the federal Occupational Safety and Health Administration. Continued increases in economic development across Alaska will require increased consultation and enforcement efforts to meet existing fatality and injury reduction objectives.

The Wage and Hour Administration requests \$170.0 of General Funds to establish two new Wage and Hour Investigator I positions to improve resident hire results. Public construction capital projects have increased by 23% since FY 2003 and existing staff is insufficient to effectively perform on-site inspections. This proposal will result in an additional 500 on-site

inspections annually. These positions will help promote a 2% decrease in the ratio of non-residents to residents employed and assist with the department's goal to increase the overall percentage of the Alaska workforce employed.

Employment and Training Services continues to provide employment and training services to an increased customer base while the federal funding has been reduced. In FY2007 the Wagner-Peyser grant was reduced by more than \$330.0. Further, the federal National Emergency Grant and Reemployment Services grant ended and, coupled with substantial increases in state costs, contributed to the significant loss of temporary and permanent staff.

Due to funding reductions, caused by an overall lower unemployment rate, UI program staffing levels are down from last year by 10%. This creates a challenge for Alaska to meet established goals for timely payments and processing of UI claims. Vacancies in the UI Tax office result in more employer accounts per auditor and fewer technical assistance opportunities to help employers comply with statutory requirements.

Face Workforce Investment Act federal formula funding reductions and rescissions and prepare contingencies by seeking supplemental funding sources and leveraging funds through partnerships with Alaska business and industry.

The unemployment rate of people with disabilities continues to be about 47% which is significantly higher than the general population. This unemployment rate is even higher in rural Alaska. The continuing challenge is to provide services to rural Alaska and develop employment opportunities.

Significant Changes in Results to be Delivered in FY2008

The department has implemented several web applications and will continue to increase the functionality of options available to the public. Targeted this year will be:

- * Benefits Internet Filing (BIF). This application will allow more of the filing input to be handled by clients and will reduce unemployment insurance call center workload.
- * Workers' Compensation Electronic Data Exchange. This application will share data automatically between states and cut down on manual data entry.
- * Certified Payroll. This application will allow for easier and more intuitive filing of weekly or biweekly wages for employers working on public construction projects.

The Workers' Compensation fraud investigation unit will work to locate and reduce the number of uninsured employers, in an effort to reduce the number of uninsured work place injuries.

With the requested funding, increase the number of public construction on-site inspections for resident hire compliance by 200%.

Federal funding shortfalls (resulting in a decrement of \$4.8 million) and cost increases in FY2008 will cause a reduction in in-person staff assisted services. The Employment and Training Services program is requesting an increment of \$250.0 in Training & Building Funds. The funds will be used to support the increased operating costs associated with extending Job Center operations to rural areas. Heavy reliance on information technology and web-based consumer products will be necessary to meet federal performance measures.

Federal funding shortfalls (resulting in a decrement of \$2.7 million) and cost increases in FY2008 may diminish the ability of the Unemployment Insurance (UI) program to make timely UI benefit payments to eligible claimants. The Employment Security Division will concentrate on delivering core UI products electronically to ensure employers and claimants receive adequate and continuous services.

We have been advised of continuing reductions in federal Workforce Investment Act (WIA) formula funding. Also funding for several special federal initiatives will end during FY08. This continued loss of funding will result in service reductions throughout the department and will reduce the number of training grants available.

Continue the Alaska Youth First Initiative by requesting a \$3,450.0 increment in General Funds for training up the future Alaska workforce in high-growth industries and prepare Alaska's youth for careers and best-bet occupations. This will replace funding dedicated to training youth and advancing vocational technical education in Alaska's schools from the federal High Growth Job Training Initiative award that ends in FY08.

A proposal to increase State Training and Employment Program (STEP) revenues through legislation will help to offset the trend of continuing reductions in WIA funding so that approximately 5,600 more Alaskans who might have been

recipients of federal training dollars may gain employment through STEP-funded training. Seek program reauthorization and expansion in the next legislative session. Included in this budget request is a one time increase in STEP authorization of \$500.4 to use the carry forward balance of the STEP account to provide additional training opportunities to Alaskans.

The Alaska Vocational Technical Center (AVTEC) has received a federal Economic Development Administration grant for distance training equipment and is requesting a Capital Project to provide \$750.0 in Federal authorization and \$329.0 in General Funds for a portion of the match requirements. As a result of this project 5 or 6 training centers in rural Alaska will receive distance technology equipment and staff training in its use. This will greatly improve access to vocational/technical training for rural Alaskans in these regions.

The Division of Vocational Rehabilitation will increase outreach to employers to promote understanding of disability issues and the financial incentives to hire persons with disabilities.

Major Department Accomplishments in 2006

Completed the long-term industry and occupational forecasts for 2004-2014. Completed the short-term industry forecast for 2006-2007.

Set up the Workers' Compensation Appeals Commission, the Workers' Compensation fraud investigation unit and the Benefits Guaranty Fund.

Wage and Hour staff collected over \$2,985,000 in wages, penalties and interest owed to Alaskan workers. 55% of certified payrolls received were checked for compliance with Alaska resident hire requirements.

The Alaska Occupational Safety and Health (AKOSH) Consultation program provided 103 training seminars to 2,166 individuals and identified and eliminated 2,721 workplace hazards during 531 on-site visits, while AKOSH Enforcement conducted 548 compliance inspections in FY06.

The Employment Security Division implemented a new internet-based labor exchange system in the fourth quarter. The new system, called the Alaska Labor Exchange System (ALEXsys) provides greater access to labor exchange services for Alaskans across the state. It automates skills-based matching and promotes employer and job seeker interaction and results in better and faster matches between employers and job seekers.

Increased the number of registered job seekers to 78,087, an increase of 13,920 compared to the prior year. Increased Alaskans entering employment over the previous year by 10,194.

Unemployment Insurance benefits totaling \$112.0 million were paid to 51,120 insured workers. This is a decrease of \$11.2 million and 2,487 fewer claims from last year. During the same period over \$177.0 million in contributions was deposited into the UI Trust Fund.

Awarded 1,846 GED diplomas in FY2006. Additionally, 81.6% of ABE adult students demonstrated increased basic skills knowledge.

Developed and implemented goals of Alaska's Youth First Initiative with an \$850,000 General Fund investment to target employment, training, and career awareness services to 1,045 youth for employability skills, career awareness, pre-vocational training, teacher-industry externships, student internships and summer youth academies.

The Alaska Vocational Technical Center enrolled a total of 1,243 students in FY06. Of those, 385 were enrolled in long-term (six weeks or longer) training programs with a completion rate of 82%.

524 individuals with significant physical and/or mental impairments that constituted barriers to employment were successfully placed in employment as a result of vocational rehabilitation services.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

AS 37.07.050(a)(13) requires an agency to prioritize its activities, and a division is included in the definition of agency in AS 37.07.120(1). The department has interpreted this as allowing prioritization of its programs at the division level.

Department Programs Prioritized Within Each Division

COMMISSIONER'S OFFICE

1. Commissioner's Office
2. Alaska Labor Relations Agency
3. Office of Citizenship Assistance

ADMINISTRATIVE SERVICES DIVISION

1. Management Services
2. Labor Market Information
3. Data Processing
4. Human Resources
5. Leasing

BUSINESS PARTNERSHIPS DIVISION

1. Business Services
2. AVTEC
3. AVTEC Facilities Maintenance
4. Alaska Workforce Investment Board
5. Kotzebue Technical Center
6. Northwest Alaska Career and Technical Center
7. Yuut Elitnaurviat People's Learning Center
8. Southwest Alaska Vocational and Education Center

DIVISION OF VOCATIONAL REHABILITATION

1. Client Services
2. Independent Living Rehabilitation
3. Americans with Disabilities Act
4. Vocational Rehabilitation Administration
5. Special Projects
6. Disability Determination
7. Assistive Technology

EMPLOYMENT SECURITY DIVISION

1. Unemployment Insurance
2. Wagner-Peyser
3. Reemployment Services
4. Workforce Investment Act Training Services
5. Veterans Employment and Training
6. Trade Assistance Act/National Emergency Grant
7. Adult Basic Education
8. General Educational Development (GED) Testing
9. Senior Community Services Employment Program
10. Work Services
11. Welfare-to-Work Case Management

12. Work Opportunity Tax Credit
13. Foreign Labor Certification

LABOR STANDARDS & SAFETY DIVISION

1. Wage & Hour Title 36 Employment Preference Enforcement
2. OSH Enforce/Compliance Safety & Health
3. Mechanical Inspection Boiler Inspection
4. OSH Consult/Train Safety & Health
5. Mechanical Inspection Contractor Licensing
6. Wage & Hour Child Labor Enforcement
7. Wage & Hour Title 23 Wage Claim Enforcement
8. Mechanical Inspection Certificate of Fitness (Electrical & Plumbing)
9. Wage & Hour Title 36 Prevailing Wage Enforcement
10. Mechanical Inspection Elevator Inspection
11. Mechanical Inspection Electrical Inspection
12. Mechanical Inspection Plumbing Inspection
13. Mechanical Inspection Hazardous Materials Certificate of Fitness
14. Mechanical Inspection Boiler Operator Licensing
15. Mechanical Inspection Amusement Ride Inspection
16. OSH Joint Pipeline Office
17. Alaska Safety Advisory Council

WORKERS' COMPENSATION DIVISION

1. Enforcement of employers' workers' compensation liability insurance requirements
2. Administration of employers' workers' compensation liability self-insurance program
3. Investigation and enforcement of anti-fraud provisions of Act
4. Construction and maintenance of accurate and complete program databases
5. Dissemination of information to participants concerning Workers' Compensation Act rights, obligations, and procedures
6. Informal (mediations/prehearing conferences), formal (hearings), and initial appellate (by Worker's Compensation Appeals Commission) resolution of disputes
7. Audit of compensation reports and payments for accuracy and timeliness
8. Preparation of records of, and participation in, appeals from AWCB decisions
9. Archival and destruction of records
10. Administration of Commercial Fishermen's Fund
11. Administration of Second Injury Fund
12. Administration of Workers' Compensation Benefits Guaranty Fund
13. Tri-annual recalculation of COLA ratios for out-of-state benefit recipients

Contact Information

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Department Budget Summary by RDU

All dollars shown in thousands

| | FY2006 Actuals | | | | FY2007 Management Plan | | | | FY2008 Governor | | | |
|-------------------------------------|------------------|------------------|-----------------|------------------|------------------------|------------------|-----------------|------------------|------------------|------------------|-----------------|------------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| Formula Expenditures | | | | | | | | | | | | |
| None. | | | | | | | | | | | | |
| Non-Formula Expenditures | | | | | | | | | | | | |
| Office of the Commissioner | 1,134.9 | 0.0 | 447.9 | 1,582.8 | 1,243.0 | 0.0 | 381.1 | 1,624.1 | 1,407.0 | 0.0 | 381.6 | 1,788.6 |
| Administrative Services | 3,971.1 | 7,195.7 | 3,666.6 | 14,833.4 | 4,619.2 | 8,865.3 | 4,847.4 | 18,331.9 | 6,348.9 | 8,308.0 | 4,757.4 | 19,414.3 |
| Workers' Compensation | 3.5 | 0.0 | 8,554.9 | 8,558.4 | 3.5 | 0.0 | 10,448.1 | 10,451.6 | 3.5 | 0.0 | 10,994.0 | 10,997.5 |
| Labor Standards and Safety | 1,326.2 | 2,058.4 | 4,400.8 | 7,785.4 | 1,460.5 | 2,403.5 | 5,115.3 | 8,979.3 | 1,772.4 | 2,403.5 | 5,962.6 | 10,138.5 |
| Employment Security | 1,646.1 | 33,046.2 | 14,524.6 | 49,216.9 | 2,270.2 | 36,585.9 | 15,362.2 | 54,218.3 | 5,863.7 | 31,253.3 | 13,955.0 | 51,072.0 |
| Business Partnerships | 4,050.6 | 22,354.3 | 12,555.4 | 38,960.3 | 6,083.6 | 32,986.1 | 14,438.6 | 53,508.3 | 11,166.8 | 32,608.4 | 15,015.7 | 58,790.9 |
| Vocational Rehabilitation | 3,886.1 | 14,624.2 | 777.0 | 19,287.3 | 4,135.1 | 18,395.9 | 965.8 | 23,496.8 | 4,982.6 | 18,683.0 | 1,024.6 | 24,690.2 |
| Totals | 16,018.5 | 79,278.8 | 44,927.2 | 140,224.5 | 19,815.1 | 99,236.7 | 51,558.5 | 170,610.3 | 31,544.9 | 93,256.2 | 52,090.9 | 176,892.0 |

Funding Source Summary

All dollars in thousands

| Funding Sources | FY2006 Actuals | FY2007 Management Plan | FY2008 Governor |
|---|-----------------------|---------------------------------------|------------------------|
| 1002 Federal Receipts | 79,278.8 | 99,236.7 | 93,256.2 |
| 1003 General Fund Match | 4,855.5 | 4,949.0 | 5,298.5 |
| 1004 General Fund Receipts | 11,095.8 | 14,785.5 | 26,159.5 |
| 1005 General Fund/Program Receipts | 67.2 | 80.6 | 86.9 |
| 1007 Inter-Agency Receipts | 21,142.2 | 23,766.5 | 22,106.2 |
| 1031 Second Injury Fund Reserve Account | 3,313.1 | 3,962.0 | 3,982.8 |
| 1032 Fishermen's Fund | 1,240.2 | 1,284.3 | 1,308.2 |
| 1049 Training and Building Fund | 651.7 | 674.1 | 994.3 |
| 1053 Investment Loss Trust Fund | | 300.0 | |
| 1054 State Employment & Training Program | 5,654.9 | 6,474.9 | 7,060.5 |
| 1061 Capital Improvement Project Receipts | 701.2 | 266.2 | 291.4 |
| 1108 Statutory Designated Program Receipts | 20.9 | 352.5 | 308.3 |
| 1117 Vocational Rehabilitation Small Business Enterprise Fund | 239.2 | 325.0 | 325.0 |
| 1151 Technical Vocational Education Program Account | 2,101.5 | 2,434.6 | 2,681.4 |
| 1156 Receipt Supported Services | 2,262.2 | 2,380.1 | 2,497.2 |
| 1157 Workers Safety and Compensation Administration Account | 5,902.4 | 7,240.6 | 8,225.8 |
| 1172 Building Safety Account | 1,697.7 | 2,047.7 | 2,259.8 |
| 1203 Workers' Compensation Benefits Guaranty Fund | | 50.0 | 50.0 |
| Totals | 140,224.5 | 170,610.3 | 176,892.0 |

Position Summary

| Funding Sources | FY2007 Management Plan | FY2008 Governor |
|------------------------|---------------------------------------|------------------------|
| Permanent Full Time | 906 | 844 |
| Permanent Part Time | 108 | 108 |
| Non Permanent | 23 | 7 |
| Totals | 1,037 | 959 |

FY2008 Capital Budget Request

| Project Title | General Funds | Federal Funds | Other Funds | Total Funds |
|---------------------------------|--------------------------|--------------------------|------------------------|------------------------|
| AVTEC Distance Training Network | 329,000 | 750,000 | 0 | 1,079,000 |
| Department Total | 329,000 | 750,000 | 0 | 1,079,000 |

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2007 Management Plan to FY2008 Governor

All dollars shown in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2007 Management Plan | 19,815.1 | 99,236.7 | 51,558.5 | 170,610.3 |
| Adjustments which will continue current level of service: | | | | |
| -Office of the Commissioner | 51.8 | 0.0 | -50.1 | 1.7 |
| -Administrative Services | 1,247.2 | -741.1 | -471.9 | 34.2 |
| -Workers' Compensation | 0.0 | 0.0 | 0.7 | 0.7 |
| -Labor Standards and Safety | 0.0 | -232.7 | 233.0 | 0.3 |
| -Employment Security | 3,576.8 | -2,810.0 | -765.1 | 1.7 |
| -Business Partnerships | 852.1 | -299.9 | -527.3 | 24.9 |
| -Vocational Rehabilitation | 747.0 | -746.8 | 0.4 | 0.6 |
| Proposed budget decreases: | | | | |
| -Administrative Services | 0.0 | -557.5 | -100.0 | -657.5 |
| -Employment Security | 0.0 | -8,135.8 | -2,047.5 | -10,183.3 |
| -Business Partnerships | 0.0 | -306.9 | -271.8 | -578.7 |
| -Vocational Rehabilitation | -100.0 | 0.0 | 0.0 | -100.0 |
| Proposed budget increases: | | | | |
| -Office of the Commissioner | 112.2 | 0.0 | 50.6 | 162.8 |
| -Administrative Services | 482.5 | 741.3 | 481.9 | 1,705.7 |
| -Workers' Compensation | 0.0 | 0.0 | 545.2 | 545.2 |
| -Labor Standards and Safety | 311.9 | 232.7 | 614.3 | 1,158.9 |
| -Employment Security | 16.7 | 5,613.2 | 1,405.4 | 7,035.3 |
| -Business Partnerships | 4,231.1 | 229.1 | 1,376.2 | 5,836.4 |
| -Vocational Rehabilitation | 200.5 | 1,033.9 | 58.4 | 1,292.8 |
| FY2008 Governor | 31,544.9 | 93,256.2 | 52,090.9 | 176,892.0 |